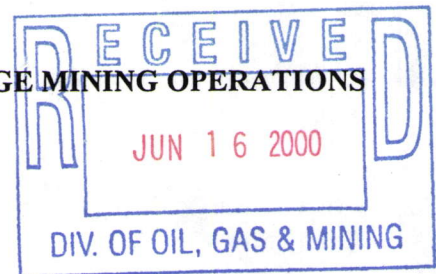


REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Lime Ridge Mine
M/037/081
April 10, 2000



R647-4-104 - Filing Requirements and Review Procedures

The submission identifies the applicant as being a corporation. Please provide the name of the corporation to be listed as the operator for this notice. (AAG)

Holliday Construction, Inc.

R647-4-104 - Operator's, Surface and Mineral Ownership

Please provide the name and address of the owners of record of the minerals to be mined. (LK)

Utah State Trust Land - Lease # 45960-BSL

Please provide any state mineral lease number(s) and indicate whether the land owners have been notified in writing of this proposal. (AAG) *Yes land owners have been notified*

R647-4-105 - Maps, Drawings & Photographs

105.2 Surface facilities map

A measurement of the area impacted on the Surface Facilities Map, using the scale shown, gives approximately 2.1 acres. The impacted area described in the text of the submission is 12 new acres plus five (5) acres of existing disturbance. Surety calculations by the Division will not be possible until a scaled map of the proposed disturbance is received. Please provide a revised surface facilities map showing both the current disturbed area and the proposed disturbance. Area measurements from this revised map should agree with the acreage listed in the text of your submission. (AAG) *See attachments*

Please submit a mine plan map showing the mining sequence and projected annual disturbance for a minimum period of five years. (DJ) *See Attachments*

105.3 Drawings or Cross Sections (slopes, roads, pads, etc.)

Please provide cross-sections of the affected area showing the present ground surface, the surface after the proposed mining has occurred, and the surface after final reclamation. Because the area of the plan is relatively flat and the maps furnished have 40-foot contours, please provide at least one cross-section running North to South, through the existing pit, and one cross section running through the proposed mining area. Please provide at least two cross-sections running East-West. These sections need to be drawn to scale for calculation purposes. (AAG) *See Attachments that you recieved on the Outfitters Report We sent first off.*

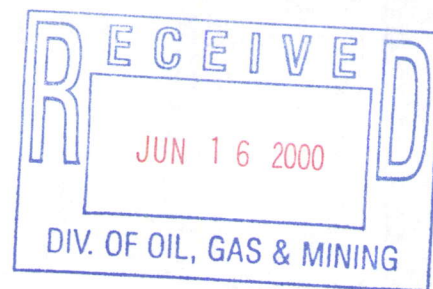
Please provide a reclamation treatments map which is of the same scale as the surface facilities map. Please use cross hatching or color coding on this map to identify areas receiving different reclamation treatments. (AAG) *See Attachments*

R647-4-106 - Operation Plan

106.2 Type of operations conducted, mining method, processing etc.

Please provide a narrative description of the mining operations. In this narrative please include a description of the mine equipment being used, the stockpiled products, waste stockpiles, and onsite processing equipment. (AAG)

*Mining 24" Rip Rap for a dam in New Mexico
Equipment being used is an excavator, loader, AirTrack + Screen*



106.3 Estimated acreages disturbed, reclaimed, annually.

Appendix 3 states 12 acres are proposed to be disturbed and five (5) acres of disturbed area are from previous activities, which would give a total project disturbance of 17 acres. This section of the submission states the disturbance is 12 acres total. Please explain these conflicting acreage figures and provide the correct information. (AAG) *The 5 acres is for stock piling for Crusher & Screening site*

106.4 Nature of materials mined, waste and estimated tonnages

The submission indicates there will be 40,000 cubic yards of material mined. Please clarify whether this figure represents annual production, or life of mine production? (DJ)

Mining 50,000 ton this year and it's not annual, just when ever the demand hits

106.5 Existing soil types, location, amount

Please provide the results of a soil survey for the proposed area. The Natural Resources Conservation Service (formerly the Soil Conservation Service) may already have a soil survey which covers the proposed area. A copy of their report should provide most of the soils data that is needed. Please provide a soil analysis for the topsoil/overburden materials which will be salvaged and used for reclamation. This soil analysis needs to include: texture, pH, EC (conductivity), CEC (cation exchange capacity), SAR (sodium absorption ratio), % Organic Matter, Total N, available phosphorus (as P_2O_5), and potassium (as K_2O). This soil data will be used to determine if fertilizers or amendments may be needed to establish vegetation. (LK) *See Attac*

106.6 Plan for protecting & redepositing soils

Assuming there is only one inch of topsoil over five (5) acres which can be salvaged, would yield approximately 672 cubic yards of topsoil, not the 30 cubic yards described in this submission. Please explain these conflicting volumes. Please agree to seed stockpiled topsoil to protect it from erosion and to sign, or fence the stockpiles to protect these resources until used for reclamation.

(LK) *We just estimated because there was so much rock showing 600 is more realistic*

106.7 Existing vegetation - species and amount

The vegetation at the site would be classified as a desert shrub community. Vegetation ground cover in the submission is reported as 30%, which would set the Division's 70% revegetation success standard at 21% vegetation ground cover. (LK) *OKay*

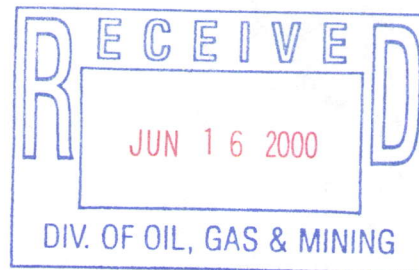
106.8 Depth to groundwater, extent of overburden, geology

No information has been provided regarding groundwater in the area although it is apparent that the general area is very dry. Please describe the indications of groundwater closest to the mine operation, such as springs, wells, etc. Is the proposed mining expected to intercept ground water? No Please explain why or why not. (TM) *No water in area, The River is 2 miles Southeast of us.*

106.9 Location & size of ore, waste, tailings, ponds

This notice states there is no overburden or reject materials produced by this project. Will all reject materials or fines from crushing be sold as product or will some materials be left on site? If so, what is the expected volume of these materials? (AAG)

yes all material that is mine will be sold.



R647-4-107 - Operation Practices

107.1 Public safety & welfare

107.1.12 Disposal of trash, scrap, debris

Please describe how trash and debris generated during operations will be disposed. (AAG)

We haul the trash home everynite, no trash deposed on the site

107.1.13 Plugging or capping drill holes

Please confirm that no drill holes which will require plugging or capping are proposed in this project. (AAG) *There will be no drill holes to plug.*

107.1.14 Posting warning signs

Because this site is located on a county road, please post signs warning the public of heavy equipment operating in the area, or explain why this type of warning is unnecessary for public safety. (AAG) *We will find signs and post them.*

107.2 Drainages to minimize damage

It is unclear in the submission whether the nearby ephemeral drainage will be impacted during active operations. Please describe any proposed drainage rerouting during active operations and show this rerouting on the surface facilities map. (TM) *No drainage if any rain it would only go into the pit*

107.3 Erosion control & sediment control

Please describe measures to be employed to prevent excessive erosion of topsoil and other soil materials which will be disturbed during active mining operations. (TM)

There is no rainfall in this area & it's just rock

107.4 Deleterious material safety stored or removed

Please describe the locations and methods for storing fuels and other related products on site during operations. Please describe the typical volumes and types of fuels or lubricants stored on site. If onsite fuel storage is proposed, then secondary emergency containment measures must be provided sufficient to contain 110% of the total stored volume. (AAG) *There is no fuel on the site. The gen has a 500gal fuel tank that runs it stored*

107.5 Suitable soils removed & stored

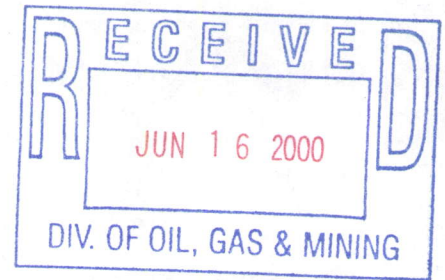
Please refer to comments under R647-4-106.5 and 106.6. From the photos supplied, it appears that there may be more suitable soil material for reclamation (i.e. overburden materials) than what would typically be classified as topsoil. Overburden materials and fines should be saved for reclamation so that a minimum one foot depth of material is provided for seedling establishment.

The overburden materials may require amendments to make them suitable as a plant growth medium. Please provide an analysis of this overburden material using the same parameters as listed for the soils analysis under section 106.5. (LK) *Been taking the overburdened material and stockpiling for reclamation have about 10,000 ton already*

R647-4-109 - Impact Assessment

109.1 Impacts to surface & groundwater systems

See comments under section R647-4-107.2. (TM) ✓



109.2 Impacts to threatened and endangered species or habitats.

Appendix 4 states that no threatened or endangered flora or fauna species were observed on the proposed impact site. Please reference any clearance surveys performed for the existing mine operation and the proposed site. Please provide documentation of credentials for the individuals or company performing these clearances. Please include similar documentation for cultural surveys as well. (AAG) *See exhibit - none was found*

109.4 Slope stability, erosion control, air quality, safety

Due to the close proximity of this mine operation to the San Juan River corridor, you are encouraged to keep dust generation to a minimum. Please describe any measures to be taken to minimize the impacts to air quality in this area, or explain why these measures are unnecessary. Please provide the Division with documentation of this operation complying with State Division of Air Quality permitting requirements. (AAG) *Been watering screening area twice a day with our 4,000 gal water truck*

R647-4-110 - Reclamation Plan

110.1 Concurrent & post mining land use

Please describe the present land use as well as the intended post mining land use for this area. (DJ)

110.2 Roads, highwalls, slopes, drainages, pits, etc., reclaimed

If any natural drainage channels will be impacted during mining activities, please describe your proposed reclamation plans for reestablishment of the drainage patterns after mining ceases. (TM) *Our whole pit is in a drainage area there is no problem for drainage*
Please acknowledge that no highwalls steeper than forty-five degrees will remain after final reclamation. Highwalls remaining steeper than forty-five degrees require a variance request and supporting justification. (AAG) *There will be no high walls will use the overburden that we stripped to reclaim with, not the top soil*

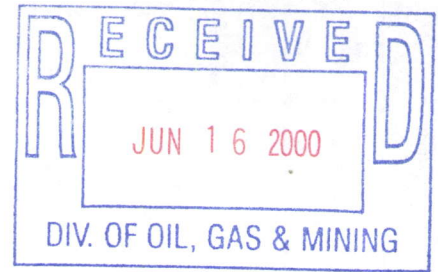
110.3 Description of facilities to be left (post mining use)

With the exception of the county road which traverses the site, the submission implies that all other mining related disturbances will be reclaimed. Please confirm this understanding. (LK) *yes it will be reclaimed*

110.5 Revegetation planting program

Please describe the proposed revegetation plan, including soil replacement, soil amendments, seedbed preparation, seed mix to be used (include species and rate per acre), seeding methods, and timing. A minimum of one foot of soil material (overburden, fines, and topsoil) will need to be replaced. It is likely that the soil materials will need to be amended with 5 - 10 ton per acre of composted manure. The final rate of amendments cannot be determined until results of the soil and overburden analysis requested under R647-4-106.5 and 107.5 are submitted. Areas of compaction will need to be ripped. The final reclaimed surface should be left in a roughened condition to promote seed and water retention, and minimize erosion. Reclamation should be performed so the area is ready for seeding in late October. Given the relatively small size of the affected area,

Page 5
Lime Ridge Mine
Initial Review
M/037/081
April 10, 2000



broadcast seeding is the most likely seeding method to be used. Attached is a recommended seed mix for your consideration. SITLA has approved the use of this seed mix via a phone call to the Division. If this seed mix is acceptable, please acknowledge your acceptance and include it in your final reclamation plan. (LK) *yes it is acceptable*

R647-4-111 - Reclamation Practices

111.1 Public safety & welfare

1.14 Posting warning signs

See comments under R647-4-107.1.14. (DJ)

111.3 Erosion & sediment control

See comments under R647-4-107.3. (TM)

111.12 Topsoil redistribution

Please refer to comments under R647-4-107.5. (LK)

R647-4-112 - Variance

No variances were requested in this submission. (DJ)

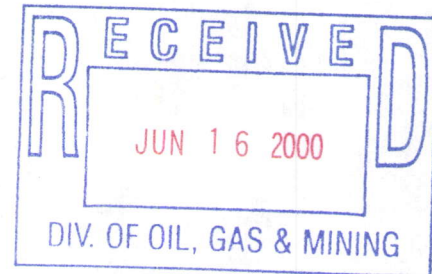
R647-4-113 - Surety

A reclamation surety estimate was not provided in this submission. A surety amount cannot be calculated by the Division until concerns stated in this review are addressed. (AAG)

R647-4-115 - Confidential Information

No confidential information was identified in this submission. (DJ)

Attachment: Seedmix



Recommended Revegetation Species List
for

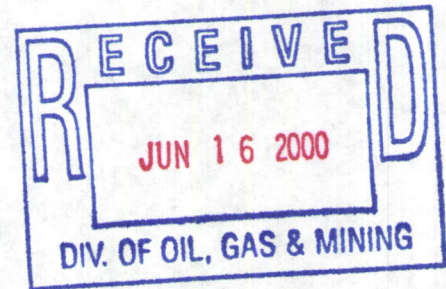
Holliday Construction, Inc.
Lime Ridge mine
M/037/081

<u>Common Name</u>	<u>Species Name</u>	<u>*Rate lbs/ac (PLS)</u>
Hycrest crested wheatgrass	<u>Agropyron cristatum</u>	1.0
Luna pubescent wheatgrass	<u>Agropyron tricophorum</u>	2.0
Boizoisky russian wildrye	<u>Elymus junceus</u>	1.5
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2.0
Ladak alfalfa	<u>Medicago sativa</u>	1.0
Yellow Sweetclover	<u>Melilotus officinalis</u>	0.5
Palmer penstemon	<u>Penstemon palmerii</u>	0.75
Black sagebrush	<u>Artemisia nova</u>	0.2
4-wing saltbush	<u>Atriplex canescens</u>	2.0
Shadscale	<u>Atriplex confertifolia</u>	2.0
Rubber Rabbitbrush	<u>Chrysothamnus nauseosus</u>	0.5
Forage Kochia	<u>Kochia prostrata</u>	0.75
Total Seed		14.2 lbs/ac

* Rate is recommended for broadcast seeding.
This seed mix is acceptable to SITLA

REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING
OPERATIONS

Lime Ridge Mine
M/037/081
June 5, 2000



R647-4-104 - Filing Requirements and Review Procedures:
Holliday Construction, Inc.

R647-4-104 - Operator's Surface and Mineral Ownership:
Utah State Trust Lands
Lease #45960-BSLS
Land owners have been notified

R647-4-105 - Maps, Drawings & Photographs:
105.2 See Attachments
105.3 See Attachments

R647-4-106 - Operation Plan

106.2: Type of Operations Conducted, mining method, processing etc.
Mining 24" Rip Rap material for a dam in New Mexico
Equipment being used is an excavator, loader, air track, and screener

106.3: Estimated acreages disturbed, reclaimed:
The 5 acres is for stockpiling for the crusher and screening site.

106.4: Nature of materials mined, waste and estimated tonnages:
We are mining 50,000 ton of rock this year, and it is not annual just
whenever the demand hits.

106.5: Existing soil types, locations, amount:

106.6: Plan for protecting & redepositing soils:

We just estimated because there was so much rock showing 600 cubic yards is more realistic.

106.7: Existing vegetation - species and amount:

106.8: Depth to groundwater, extent of overburden, geology:

No water in area, the river is 2 miles southeast of us.

106.9: Location & size of ore, waste, tailings, pond:

Yes all material that is mined will be sold.

R647-4-107 - Operation Practices:

107.1: Public safety & welfare:

107.1.12: Disposal of trash, scrap, debris:

We haul all trash home every night there is no trash deposited on the site.

107.1.13: Plugging or capping drill holes:

There will be no drill holes to plug

107.1.14: Posting warning signs:

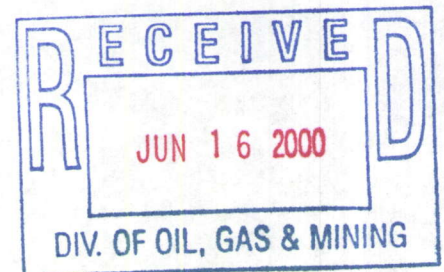
We will find signs and post them

107.2: Drainages to minimize damage:

No drainage if there were any rain it would only go into the pit area

107.3: Erosion control & sediment control:

There is very little if any rain fall in this area and it's just rock.



That runs it, it is stored inside a van trailer.

107.5: Suitable soils removed & stored:

Been taking the overburden material and stockpiling for reclamation have about 10,000 ton already.

R647-09 - Impact Assessment:

109.2 Impacts to threatened and endangered species or habitats.

See exhibit A none was found

109.4: Slope stability, erosion control, air quality, safety:

Been watering screening area twice a day with our 4,000 gal water truck to keep dust control down.

R647-4-110 - Reclamation Plan

110.1 Concurrent & post mining land use:

110.2 Roads, highwalls, slopes, drainages, pits, etc., reclaimed:

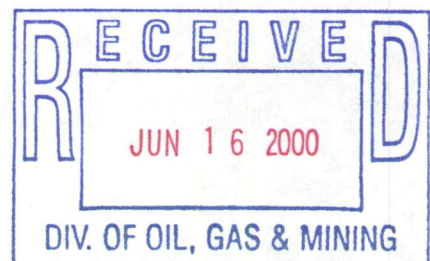
Our whole pit is in a drainage area there is no problem for drainage.

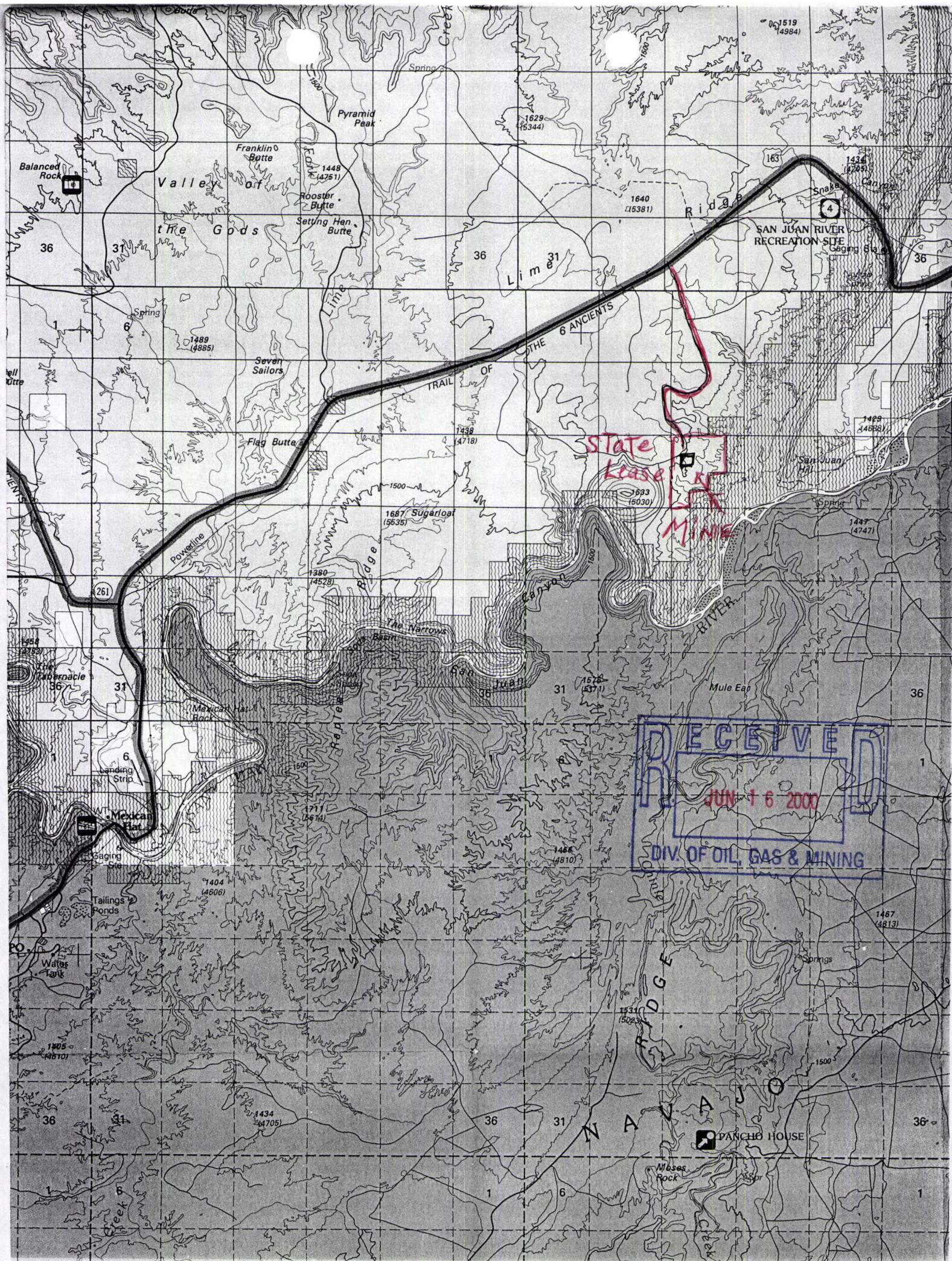
There will be no high walls we will use the over burden that we stripped to reclaim with, we will not use the top soil.

110.3 Description of facilities to be left (post mining use)

Yes it will be reclaimed

110.5 Revegetation planting program:





RECEIVED
JUN 16 2000
DIV. OF OIL, GAS & MINING

Map Attachments

Scale - $\frac{1}{2}$ " = 100 feet



Reclaimed Area #6

Stock Pile

3" Overburden Stockpile Area #1

Overburden Stockpile #5

200 ft

Picture #1 - 3" Overburden Stockpile Area

Picture #2 - Top Soil Area

Picture #3 - Stockpile Area

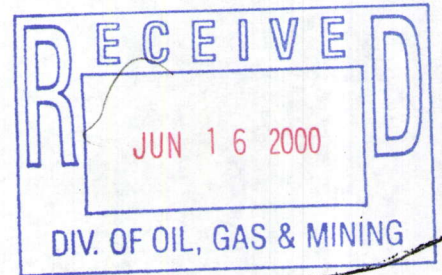
Picture #4 - Rip Rap Machine

Picture #5 - Overburden Stockpile

Picture #6 - Reclaimed Area

Picture #7 - Loading Area + Stockpile Area

Picture #8 - Pictures of the Limestone Pit



#2

Top Soil Area

Generator Set

County Road

250 ft

Limestone Pit

#8

100 ft

Rip Rap machine #4

100'

100'

100'

#7

Loading Area

300 ft

140 ft

#3

3" Overburden Stockpile Area

#3

7" Overburden Stockpile Area

400'

400'

400'

100'

Top Soil #7

86'

700'



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

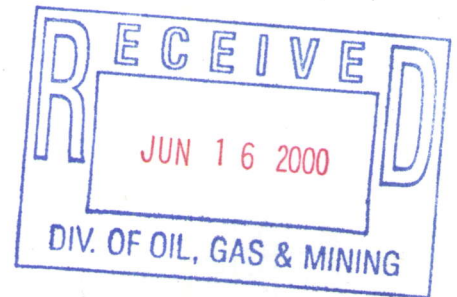
801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 16, 2000

Jerry Holliday
Holliday Construction Inc.
700 East Brown Canyon Road
P.O. Box 502
Blanding, Utah 84511



Re: Second Review of Notice of Intention to Commence Large Mining Operations, Holliday Construction Inc., Lime Ridge Mine, M/037/081, San Juan County, Utah

Dear Mr. Holliday:

On May 12, 2000, the Division received your response to our April 10, 2000, deficiency review of your Notice of Intention to Commence Large Mining Operations for the Lime Ridge Mine, located in San Juan County, Utah. *The information received is a copy of your original submission which was used to generate our April 10th deficiency comments. Another copy of our April 10th review comments is enclosed. Please address each review comment in detail so that we can complete the review and approval of your large mine Notice of Intent. The deficiency comments will need to be addressed before tentative approval of your notice may be granted. The comments are listed under the applicable Minerals Rule heading. Please format your response in a similar fashion. Please provide a response to this review by June 16, 2000.*

The Division will suspend further review of the Lime Ridge mine NOI until your response to this letter is received. If you have any questions in this regard please contact me, Tony Gallegos, Lynn Kunzler, Tom Munson or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to sit down and discuss this review, please contact us at your earliest convenience. Thank you for your cooperation in completing this permitting action.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Attachment: 4/10/00 review comments

cc: John Blake, SITLA

M37-81-2rvw